

# SENATE BILL 364

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By: **Senator Ferguson**

Introduced and read first time: January 30, 2012

Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **Loan Assistance Repayment Program – Nancy Grasmick Teacher Grant**

3 FOR the purpose of establishing the Nancy Grasmick Teacher Grant in the Janet L.  
4 Hoffman Loan Assistance Repayment Program in the State; requiring the Office  
5 of Student Financial Assistance to assist in the repayment of certain higher  
6 education loans owed by certain individuals who receive certain degrees from  
7 certain institutions of higher education in the State or out of the State;  
8 requiring the Office to assist in the repayment of the amount of any higher  
9 education loan owed by certain public school teachers in the State who teach  
10 certain subjects or teach in certain schools for a certain amount of time;  
11 requiring certain funds to be used to implement this Act; making this Act  
12 subject to a certain contingency; providing for the application of this Act; and  
13 generally relating to the creation of the Nancy Grasmick Teacher Grant in the  
14 Loan Assistance Repayment Program.

15 BY repealing and reenacting, without amendments,  
16 Article – Education  
17 Section 18–1501, 18–1503, 18–1504, and 18–1505  
18 Annotated Code of Maryland  
19 (2008 Replacement Volume and 2011 Supplement)

20 BY repealing and reenacting, with amendments,  
21 Article – Education  
22 Section 18–1502  
23 Annotated Code of Maryland  
24 (2008 Replacement Volume and 2011 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
26 MARYLAND, That the Laws of Maryland read as follows:

27 **Article – Education**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 18-1501.

2 (a) In this subtitle the following words have the meanings indicated.

3 (b) (1) "Eligible field of employment" means employment in the State by  
4 an organization, institution, association, society, or corporation that is exempt from  
5 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

6 (2) "Eligible field of employment" includes employment by the State or  
7 any local government in the State, but does not include being employed as a judicial  
8 clerk in any court.

9 (c) "Higher education loan" means any loan for undergraduate or graduate  
10 study that is obtained for tuition, educational expenses, or living expenses from:

11 (1) A college or university, government, or commercial source; or

12 (2) An organization, institution, association, society, or corporation  
13 that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of  
14 1986.

15 (d) "Program" means the Janet L. Hoffman Loan Assistance Repayment  
16 Program.

17 18-1502.

18 (a) There is a program of loan assistance repayment known as the Janet L.  
19 Hoffman Loan Assistance Repayment Program in the State.

20 (b) The Office of Student Financial Assistance shall assist in the repayment  
21 of the amount of any higher education loan owed by an individual who:

22 (1) (i) Receives a graduate, professional, or undergraduate degree  
23 from:

24 1. A college or university in the State of Maryland; [or]

25 2. A school of law; **OR**

26 **3. FOR A RECIPIENT OF THE NANCY GRASMICK**  
27 **TEACHER GRANT, A PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER**  
28 **EDUCATION IN THE STATE OR OUT OF THE STATE THAT POSSESSES A**  
29 **CERTIFICATE OF APPROVAL FROM THE APPROPRIATE HIGHER EDUCATION**  
30 **AUTHORITY IN THAT STATE; or**

1 (ii) Receives a Resident Teacher Certificate (RTC) from the  
2 Department after completing an alternative teaching preparation program approved  
3 by the State Superintendent;

4 (2) Obtains eligible employment;

5 (3) Receives an income that is less than the maximum eligible total  
6 income levels established by the Office, including any additional sources of income;  
7 and

8 (4) Satisfies any other criteria established by the Office.

9 (C) SUBJECT TO THE PROVISIONS OF SUBSECTION (B) OF THIS  
10 SECTION, THE OFFICE SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT OF  
11 ANY HIGHER EDUCATION LOAN OWED BY A PUBLIC SCHOOL TEACHER IN THE  
12 STATE WHO:

13 (1) HAS TAUGHT FOR AT LEAST 2 YEARS:

14 (I) IN SCIENCE, TECHNOLOGY, ENGINEERING, OR MATH  
15 SUBJECTS; OR

16 (II) IN A SCHOOL IN WHICH AT LEAST 75% OF THE  
17 STUDENTS ARE ENROLLED IN THE FREE AND REDUCED LUNCH PROGRAM IN  
18 THE STATE FOR 2 YEARS; AND

19 (2) HAS RECEIVED THE HIGHEST PERFORMANCE EVALUATION  
20 RATING FOR THE MOST RECENT YEAR AVAILABLE IN THE COUNTY IN WHICH THE  
21 TEACHER TAUGHT (THE GRANT TO BE KNOWN AS THE NANCY GRASMICK  
22 TEACHER GRANT).

23 [(c)] (D) An applicant for assistance in the repayment of a commercial loan  
24 shall demonstrate to the Office that the commercial loan was used for tuition,  
25 educational expenses, or living expenses for graduate or undergraduate study.

26 [(d)] (E) Assistance in the repayment of a loan from an entity set forth in §  
27 18–1501(c)(2) of this subtitle shall require the approval of the Office.

28 18–1503.

29 (a) The Office of Student Financial Assistance shall adopt regulations to  
30 establish:

31 (1) The maximum starting income for eligibility in the Janet L.  
32 Hoffman Loan Assistance Repayment Program;

1                   (2)    The maximum total income for eligibility in the Janet L. Hoffman  
2 Loan Assistance Repayment Program, including any additional sources of income;

3                   (3)    That priority for participation in the Program shall be given to an  
4 individual who:

5                   (i)    Graduated from an institution of higher education in the  
6 last 3 years;

7                   (ii)   Is a resident of the State;

8                   (iii)  Is employed on a full-time basis; and

9                   (iv)  Provides, as the principal part of the individual's  
10 employment, legal services to low-income residents in the State who cannot afford  
11 legal services, nursing services in nursing shortage areas in the State as defined in §  
12 18-802 of this title, or other services in an eligible field of employment in which there  
13 is a shortage of qualified practitioners to low-income or underserved residents or  
14 areas of the State;

15                  (4)    A limit on the total amount of assistance provided by the Office of  
16 Student Financial Assistance in repaying the loan of an eligible individual, based on  
17 the individual's total income and outstanding higher education loan balance;

18                  (5)    A procedure and schedule for the payment of the amount of loan  
19 assistance provided by the Office of Student Financial Assistance to the eligible  
20 individual; and

21                  (6)    An annual review of the eligibility of each individual participating  
22 in the Program.

23                  (b)    The Office of Student Financial Assistance shall adopt any other  
24 regulations necessary to implement this subtitle.

25 18-1504.

26                  (a)    Funds for the Janet L. Hoffman Loan Assistance Repayment Program  
27 described in subsection (b)(2) of this section shall be allocated by the Commission to an  
28 individual who:

29                  (1)    Has received a graduate degree from a school of law; and

30                  (2)    Has submitted an application for the Janet L. Hoffman Loan  
31 Assistance Repayment Program that the Commission disapproved due to insufficient  
32 funds.

1           (b) Funds for the Janet L. Hoffman Loan Assistance Repayment Program  
2 shall:

3           (1) Be provided on an annual basis in the State budget; and

4           (2) Include money paid to the Program from the fee charged for a  
5 special admission of an out-of-state attorney under § 7-202(e) of the Courts Article.

6           (c) If a federal matching grant loan program furnishes professional services  
7 in an eligible field of employment to low-income or underserved residents of the State,  
8 the Office may apply not more than 50 percent of the funds provided in the State  
9 budget for the Janet L. Hoffman Loan Assistance Repayment Program to the State's  
10 participation in the federal program.

11 18-1505.

12           Subject to § 2-1246 of the State Government Article, the Office of Student  
13 Financial Assistance shall report to the General Assembly by January 1 of each year  
14 on the implementation of the Janet L. Hoffman Loan Assistance Repayment Program.

15           SECTION 2. AND BE IT FURTHER ENACTED, That funds for this Act shall  
16 be provided from State revenues received from commercial gaming using table games,  
17 including baccarat, blackjack, craps, poker, and roulette.

18           SECTION 3. AND BE IT FURTHER ENACTED, That this Act is contingent on  
19 the passage of legislation during the 2012 Session of the General Assembly and its  
20 ratification by the voters of the State that authorizes commercial gaming using table  
21 games, including baccarat, blackjack, craps, poker, and roulette. If legislation  
22 authorizing commercial gaming using table games is not passed or is not ratified by  
23 the voters of the State, this Act shall be null and void without the necessity of further  
24 action by the General Assembly.

25           SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions  
26 of Section 3 of this Act, this Act shall take effect on the proclamation of the Governor  
27 that a constitutional amendment authorizing commercial gaming using table games as  
28 described in Section 3 of this Act, having received a majority of the votes cast at the  
29 general election, has been adopted by the people of Maryland, and shall be applicable  
30 beginning in the academic year following the proclamation.